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# Turkey

# Grain and Feed Annual

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**Report Highlights:**
Although it is still early post estimates MY 2011 wheat production will reach 16.7 MMT, assuming sufficient rain and favorable conditions continue from April to May. Total wheat imports are expected to reach 3.4 MMT by the end of MY 2010. Corn production is estimated at 3.6 MMT for MY 2010 and forecasted at 3.2 MMT for MY 2011. Due to restrictions on corn imports under the Biosafety Law, corn imports were only 88,430 MT in the first six months of MY 2010. If biotech corn applications are approved for feed use by May 2011, corn imports are expected to reach 400,000 MT in MY 2010. Rice production is forecasted at 717,000 MT in MY 2011. Rice imports reached 243,367 MT and are expected to reach to 300,000 MT in MY 2010.

**Executive Summary:**

In 2010, Turkey produced 227,852 MT of certified wheat seed, an increase of 29% from MY 2009. Total wheat area in MY 2011 is 7.4 million ha but only 1.14 million ha were planted with certified wheat seed. Weather conditions for the MY 2011 wheat and barley crops were favorable in the Central Anatolian region, Aegean region and Thrace region. Dry weather in October and November 2010 in Cukurova and Southeast Anatolia caused some damage. March and April rainfall is above average in most parts of the country but will increase the susceptibility of the crop to yellow rust damage in the Central and South East Anatolian regions. Winter wheat planting, which finished in October 2010 was approximately 500,000 ha below the previous year, mainly due to farmers switching to corn or cotton because of their higher prices and higher government supports.

Although it is still early to reliably forecast MY 2011 wheat production, post estimates it will reach 16.7 MMT, assuming sufficient rain and favorable conditions continue from April to May

Due to high premiums and prices for cotton and soybeans, some corn producers are expected to plant cotton and soybeans instead of corn. This will lead to an overall decrease in the area planted to corn in MY 2011. Corn area is estimated at 490,000 ha for MY 2010 and forecasted at 400,000 ha for MY 2011. Corn production is estimated at 3.6 MMT for MY 2010 and forecasted at 3.2 MMT for MY 2011.

Rice planting is expected to decrease a bit and is forecasted at 100,000 ha area in MY 2011. Alternative products for rice are sugar beets and sunflower in Thrace region; however rice provides a higher profit for farmers than these products. Rice production is forecasted at 717,000 MT in MY 2011.

In a normal season, Turkish lentil production is close to 500,000 MT. Post estimates lentil production at 500,000 MT in MY 2010 and 550,000 MT in MY 2011.

Total wheat imports are expected to reach 3.4 MMT by the end of MY 2010. There was a high volume of imports between February and April 2011.

Turkey imported 32,101 MT of barley, mainly malting barley and exported 22,199 MT in the first nine months of MY 2010. TMO is expected to open a tender for barley exports in the following months to reduce barley stocks.

Due to restrictions on corn imports under the Biosafety Law, corn imports were only 88,430 MT in the first six months of MY 2010. If biotech corn applications are approved for feed use by May 2011, corn imports are expected to reach 400,000 MT in MY 2010.

Rice imports are expected to reach 300,000 MT in MY 2010. Rice exports reached record levels in MY 2010, after Turkey benefited from the Egyptian rice ban by becoming the major supplier of milled rice to the Middle East. Turkey discovered Middle East rice export market after Egypt rice export ban. Turkey tends to import paddy rice, mill it in Turkey and export it to Middle East countries.

**Commodities:**
Wheat
Barley
Corn
Rice, Milled

**Production:**

***Rainfall***

Average cumulative rainfall across most of the country between October 2010 and March 2011 was 382 mm, which is lower than in the previous year (485.3 mm) but higher than the long-term average. The Marmara, Aegean, Black Sea and Mediterranean regions received heavy rainfall, the Central Anatolian especially Polatli and Cankiri areas, received heavy rain and snowfall, but the Konya and South Central Anatolian areas didn't get high rainfall compared to the previous year. South East and East Anatolia had minimal rainfall in the autumn of 2010. Dry weather in October and November 2010 in Cukurova and Southeast Anatolia caused a small amount of damage to the crop. The Diyarbakir, Mardin and Siirt areas suffered a drought for more than 2 months after wheat planting, forcing some farmers to re-plant wheat. Central Anatolia was also very dry until heavy snow came in late February. March and early April saw fairly heavy rainfall throughout most of the country. Rainfall in April created some flood damage in Cukurova and South East Anatolia and may lead to susceptibility of yellow rust in the Central Anatolia and South East Anatolia region.

Table 1: Cumulative rainfall

| Cumulative Rainfall in Turkey | | | |
|---|---|---|---|
| **Region** | **Oct 2010-Feb 2011 (mm)** | **Oct 2009-Feb 2010 (mm)** | **Normal (mm)** |
| Marmara | 485.7 | 571 | 384.2 |
| Aegean | 447.8 | 581.2 | 408.3 |
| Mediterranean | 566.4 | 763.2 | 540.9 |
| Central Anatolia | 270.6 | 249.9 | 188.5 |
| Black Sea | 422.8 | 457.6 | 442.3 |
| East Anatolia | 227.3 | 385.6 | 295 |
| South East Anatolia | 222.6 | 418.7 | 346.3 |
| Turkey Total | 382.5 | 485.3 | 371.3 |

Source: State Meteorological Service

***Wheat***

Winter wheat planting, which finished in October 2010, was approximately 500,000 ha below the previous year. The decrease was mainly due to farmers switching to corn or cotton because of higher prices and higher government supports. Total wheat area in MY 2011 is 7.4 million ha and only 1.14 million ha area was planted with certified wheat seed, despite government supports (60 TL/ha) for usage of certified wheat seed. In 2010, Turkey produced 227,852 MT of certified wheat seed, which is an

increase of 29% from MY 2009. Although it is still early to reliably forecast MY 2011 wheat production, based on favorable weather conditions throughout most of Turkey thus far, wheat production is estimated at 16.7 MMT in MY 2011, assuming sufficient rain and favorable conditions continue from April to May.

In the Cukurova region (Adana, Tarsus, Osmaniye) wheat area decreased 30% in MY 2011. Most of the removed area was allocated for cotton instead, and some for corn. In this region in particular, farmers had a difficult time deciding between corn and cotton production. Corn is profitable in terms of high yields, low cost, ready buyers and relatively high prices. Cotton is profitable due to record high prices and a government subsidy (420 TL/MT). In general, farmers with irrigated land or in hilly areas prefer cotton instead of corn, if they can get seed but the availability of cotton seed was a problem for the whole country. Alternately, corn production is supported by the five starch companies in Turkey (3 of them are in Adana) who usually contract with farmers for supplies. In the relatively high areas of Cukurova, farmers also planted sunflower, taking additional acreage from wheat. The sunflower area is increasing every year in the region because of its low production cost, high yield and high government premium (230 TL/MT). Ten years ago the sunflower area in the region was almost zero and today it is 4,500 ha. Another competitive product in Cukurova is soybeans, however despite a high government premium (500 TL/ha) for soybeans, acreage increased only a little and will not have a significant impact on wheat or corn area.

In early March, wheat leaves in the region were formed but tillers had not yet been observed. The wheat looked to be in very good condition. Farmers in the region are sophisticated and effectively combat diseases such as yellow rust with chemicals. There was enough rain during February and March and weather conditions were very good in the first weeks of April.

In MY 2011, wheat area in South East Anatolia decreased 35% as farmers switched to cotton from wheat because of the high cotton prices. The main switch was from durum wheat, as durum wheat prices were are now almost the same as milling wheat prices. The South East Anatolia generally produces 1.2-1.3 MMT of durum wheat but in My 2011 there will be only about 900,000 MT of durum wheat production in South East Anatolia.

Yellow rust is expected to be a problem in the region but it will not be as bad as MY 2010, when almost 35% of the crop was lost. There were some attempts to combat with disease but it was not highly coordinated and fully supported by government agencies.

The large irrigation project (GAP or Southeast Anatolia Project) has positively affected the variety of crops in the region. Under the project, 300,000 ha are already under irrigation and 1.8 million ha are scheduled to be irrigated by 2013. The Amik Valley (Hatay region) and Aegean region there was an almost 20% decrease in the wheat area in MY 2011 as farmers returned back to their traditional crop; cotton. So far for MY 2011, weather conditions are favorable for wheat growing.

The Aegean region will have a 20% loss in wheat area due to increased cotton production. Corn and sunflower producers also switched to cotton, especially in Manisa, Soke and Izmir.

Wheat area in the Central Anatolia region remained the same in MY 2011 despite an increase in corn area in MY 2009 and MY 2010 on irrigated land (especially in the Eregli region). Because of the high

altitude, low rainfall and lack of irrigation system, Central Anatolia farmers have mainly two options, one is wheat and the other is barley (on some irrigated land sugar beet can also be grown). Quality is still a big problem in the region but so far rainfall and weather conditions have been favorable for wheat. Rodent problems are still a concern in Corum, Yozgat and Cankiri. Yellow rust will probably be seen in some parts of the region.

In Konya, the blue tunnel irrigation project which will be completed in 2013, will have a dramatic impact on wheat production in the region. This project will divert the Goksu river, one of the biggest rivers in Turkey, through a 17 km tunnel to the Konya valley and will provide 210,000 hectares with 410 million meter cube of water/year for irrigation.

In the Thrace region, late rainfall in MY 2010 negatively affected yields, and wheat area is expected to remain the same in MY 2011. Most producers had no option but to plant other products except wheat.

In the Black Sea and East Anatolia regions, the wheat area will increase due to farmers planting whet in previously fallow fields.

Table 2: Wheat production forecast

| **Turkey: Wheat production estimate and forecast by region** | | | | | | | |
|---|---|---|---|---|---|---|---|
| Regions | MY 2010 Avg.yield (MT/HA) | Long term Avg.yield (MT/HA) | Harvest Time | **MY 2010** | | **MY 2011** | |
| | | | | Harvested Area (ha) | Production (MT) | Harvested Area (ha) | Production (MT) |
| Cukurova region | 3.5-4.5 | 4.5-5.5 | May 10-June 10 | 300,000 | 1,300,000 | 210,000 | 1,050,000 |
| Hatay region | 3 | 5-5.5 | May 25-June 25 | 100,000 | 300,000 | 80,000 | 350,000 |
| Southeast region | 2 | 3-3.5 | May 15-June 25 | 1,000,000 | 2,000,000 | 650,000 | 1,900,000 |
| Central Anatolia | 2-2.5 | 1.5-2 | June 25-July 25 | 3,000,000 | 6,000,000 | 3,000,000 | 6,000,000 |
| Polatli | 2.8-3 | 3.5 | June 15-July 20 | 120,000 | 350,000 | 130,000 | 380,000 |
| Aegean region | 2-2.5 | 3 | May 25-June 25 | 650,000 | 1,500,000 | 500,000 | 1,500,000 |
| Aydin region | 4.5 | 4 | May 20-June 10 | 8,000 | 50,000 | 5,000 | 20,000 |
| Thrace | 3.5 | 4.5-5 | June | 600,000 | 2,500,000 | 600,000 | 2,500,000 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | 15-July 15 | | | | |
| Other regions | 1.3 | 1.5 | June 15-July 15 | 2,222,222 | 3,000,000 | 2,300,000 | 3,000,000 |
| Total | 2.12 | 2.3 | My 15-July15 | 8,000,222 | 17,000,000 | 7,475,000 | 16,700,000 |

Fertilizer prices are not stable and have a tendency to increase in October. In October 2010 fertilizer price increased 30% and some farmers couldn't effort to buy fertilizer for wheat. This would affect on wheat yields, especially on smaller farms.

Table 3: Fertilizer price

| **Turkey: Fertilizer prices** | | | |
|---|---|---|---|
| Type of fertilizer | December 10, 2009 (TL/MT) | February 10, 2010 (TL/MT) | March 30, 2011 (TL/MT) |
| Compound fertilizers **DAP** (Diammonium phosphate) | 670 | 920 | 1,350 |
| Nitrate fertilizers **Urea** | 585 | 680 | 960 |

Wheat premiums remained the same at 50 TL/MT but wheat certified seed support increased to 60 TL/ha in MY 2011 from 50 TL/ha in MY 2010. Farmers usually use 200 kg seed/ha but most farmers would prefer to use more seed per hectare in order to get a higher yield. To meet this demand, Turkey would need to produce an estimated 650,000 MMT of certified seed/year but can only produce 227,852 MT of certified wheat seed currently.

Table 4: Government support to wheat producers

| **Turkey: Government support to wheat producers** | | | | | |
|---|---|---|---|---|---|
| Year | Certified seed (TL/ha) | Soil analysis (TL/ha) | Premium (TL/MT) | Diesel (TL/ha) | Fertilizer (TL/ha) |
| 2005 | 50 | - | - | 24 | 16 |
| 2006 | 50 | 10 | 30 | - | - |
| 2007 | 50 | 10 | 35 | 28.8 | 21.3 |
| 2008 | 45 | 10 | 40 | 28.8 | 21.3 |
| 2009 | 50 | 22.5 | 45 | 29.3 | 38.3 |
| 2010 | 50 | 25 | 50 | 32.5 | 42.5 |
| 2011 | 60 | 25 | 50 | 37.5 | 47.5 |

Source:MARA

**Barley**

Because barley is less susceptible to adverse weather conditions, farmers in Central Anatolia and Southeast Anatolia who face variable weather conditions prefer planting barley. Turkish barley production for MY 2009 is estimated at 6 MMT and for MY 2010 is forecasted at 5.9 MMT.

Central Anatolia saw 10% lower yields from barley crops in MY 2010 compared to MY 2009 due to heavy rain in some regions and high temperatures in others. Barley production in South East Turkey decreased 10-15% in MY 2010 due to rust problems, early freezing and high temperatures damaged yields. Sanliurfa, Mardin, and Diyarbakir also lost 10% of their barley output due to bad weather conditions and rust problems. The Gaziantep region saw high yields compared to other parts of Southeast Turkey. The average yield was around 4MT/ha. Yeilds in the Kahramanmaras region were also close to average levels, at 3.5 MT/ha.

In Central Anatolia, the Yozgat, Corum and Konya region both yields and quality went down in MY 2010 due to rust and mouse damage. Yields in the Konya region were 3 MT-4 MT ha in MY 2009 and just 2 MT-3 T in MY 2010. The decrease was due to a lack of rain in April and heavy rainfall in June.

The barley production area in South East Anatolia decreased in MY 2011 to 3.2 Million hectares from 3.35 Million in MY 2010, and production is forecasted at 5.7 MMT for MY 2011. Areas were instead allocated to plant cotton or lentil as a first crop and cotton as a second crop.
The government announced a premium of 40 YTL/MT for barley, rye, and oat growers in MY 2011, the same as the previous 2 years.

**Corn**

Due to the high premium and prices for cotton and soybeans, some corn producers are expected to plant cotton and soybeans instead of corn. This will lead to an overall decrease in the area planted to corn in MY 2011. The corn area is estimated at 490,000 ha in MY 2010 and forecasted at 400,000 ha in MY 2011. Corn production is estimated at 3.6 MMT for MY 2010 and forecasted at 3.2 MMT for MY 2011.

The Cukurova, South East Anatolia and Aegean regions are the primary corn producing regions in Turkey. The poultry sector in the Aegean and Marmara regions and the starch sector in the Adana region usually set the corn price. The corn price increased to 400 USD/MT in March 2011, but corn farmers had sold their corn at 330 USD/MT last summer.

*First crop corn planting*

First crop corn planting is common in the Cukurova, Aegean and Marmara regions. Due to wet weather conditions, first crop corn plantings were delayed two weeks in the Cukurova and Aegean regions. This will have a slight negative effect on first crop corn yields. Planting started in the last week of March and was mostly completed by the first week of April.

There was a 25% decrease in the first crop corn area in the Cukurova region and 15% decrease in the Aegean region. First crop corn area remained the same in the Marmara region. The Aegean region is

already traditionally a cotton producing area, however there will be some shifts in the Aydin provinces of Aegean region from corn to cotton, however seed availability limited the switch to cotton. According to the traders some seed companies have even asked ginners to take the seed that was extracted from cotton during ginning.

In the Marmara region first crop corn is also very common and the average yield is around 1,100 MT/ha. Due to the presence of large starch factories nearby in Istanbul and Bursa, the corn area did not decrease in the region. Sugar beet planting is historically very prevalent, especially in the Sakarya area due to the proximity to sugar beet factories, however because of high corn yields most people switched from sugar beets to corn. Another advantage of corn farming in the Marmara region is the ability to have a second crop of vegetables after the corn is harvested. Most corn farmers plant lettuce or spinach after the corn harvest.

There are some efforts to grow silage corn in the Thrace region. However, most farmers prefer to plant either wheat or sunflower here.

*Second crop corn planting*

Second crop corn is a common product in Southeast Anatolia, especially in Sanliurfa and Mardin. Cukurova farmers also grow second crop corn. Second crop corn's yield and production was high in South East Anatolia in MY 2010 but there will be 25% decrease in the second crop corn plantation in MY 2011, mainly because of the decrease in wheat production as some acreage was switched to cotton this year (corn is normally planted following wheat harvest)

There will also be a 20% decrease in second crop corn area in the Cukurova region, mainly due to the decrease in the wheat area and increase in second crop soybeans in the region. The corn yields in Cukurova are usually much lower than South East Anatolia, and for this reason the area decrease in South Eastern Anatolia will impact overall production more than the Cukurova region.

In the GAP region, early planting of corn is not suitable but farmers plant it as a second crop after the wheat harvest. Due to the wheat area decrease there will be decrease in second crop corn plantation in the region.

The prevalence of Gray leaf spot (GLS), Northern leaf blight and Southern leaf blight diseases increased in the Cukurova region and badly damaged the second crop corn in MY 2010. In addition, very hot temperatures decreased yields in the region. In MY 2010, second crop corn yields were around 450-600 MT/ha, compared to 700-850 MT/ha in a normal season. In the southeast of Turkey, where most second crop corn was harvested, yields were around 850-900 MT/ha. Normally they are 900-1,050 MT/ha. In the Aegean growing region such as Aydin, second crop yields were around 700 MT/ha, compared to the long-term yield average of 850 MT/ha. The post production estimated of 3.6 MMT in MY 2010 is based on the low yields for second crop corn.

**Rice**

Turkey has 100,000 ha of paddy rice plantations, half of which are located in the Thrace and Marmara regions. The major rice producing provinces are Edirne, Samsun, Balikesir, Canakkale, Corum, Cankiri, Kastamonu, Sinop and Adana. The most productive region is Thrace, which contains 10-15% of Turkey's total rice plantation area. Ipsala in Thrace produces 20,000 ha of paddy rice. The average yield in Thrace is 8 MT/ha.
Rice planting started in the middle of May 2010 and finished by the end of the same month. The MY 2010 plantation area increased 10% due to favorable weather conditions and increased water levels in several dams. Rice yield depend on rainfall at the end of August and early September. Harvest starts in September and ends in October. Rice planting is expected to decrease a little bit and forecasted at 100,000 ha area in MY 2011. Alternative products for rice are sugar beet and sunflower in Thrace region; however rice provides a higher profit for farmers than these products.

Turkey has 25,000 paddy rice farms and 4 paddy rice co-operatives. Bandirma, Samsun, Edirne, Tekirdag and Ankara are the locations of the important commodity exchanges for rice. Turkey has 104 paddy rice millers with a yearly capacity of 2,280,000 MT. There are three big investments to increase paddy rice milling capacity. Millers believe that Middle East rice export market will be strong in MY 2011 and invested to increase capacity of mills. Farmers use 180-200 kg/ha of paddy seed.

**Lentils**

In a normal season, Turkish lentil production has been close to 500,000 MT. Post estimates MY 2010 production at 500,000 and forecasts MY 2011 production at 550,000 MT.

The pulse planting area normally changes depending on the availability of seeds, prices and premiums of the previous year's harvest, weather conditions, fertilizer prices, plant diseases, and the presence of weeds like broomrape (Orobanche spp) in the field. The Ministry of Agriculture and Rural Affairs introduced a 90 TL/MT pulse premium in 2008 and increased it to 100 TL/MT in 2009, 2010 and 2011. This high pulse premium led to increased lentil area in MY 2011. The GAP region, which is in South East Anatolia, traditionally grows pulses. GAP development projects, including new dams and irrigation canals, have also led to increased lentil yields and plantation area.

Lentil planting started in December, 2010 and germinated in February, 2011, There was some delay on germination due to dry weather condition. Farmers in South East Anatolia preferred to plant lentil because they can grow cotton after lentil harvest. High lentil price also increased lentil area in the South East Anatolia in MY 2011.

**Consumption:**

TMO was not an active player at the market in MY 2010. High wheat, barley and corn market prices lead farmers to sell their product on the market instead of to TMO. TMO announced a wheat price (550

TL/MT for milling wheat and 575 TL/MT for durum wheat) on May 17, 2010 and corn price (490 TL/MT) on August 25, 2010. Corn procurement by TMO was very limited due to high price at the market. Low yields in the second crop corn led to a dramatic increase in corn prices.

Table 5: TMO grain procurements

| **TMO procurements** | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Turkey: TMO Grain procurement from June 5, 2009 to February 22, 2010** | | | | | | | |
| Type of Grain | Durum Wheat | Milling Wheat | Barley | Rye | Oat | Corn | TOTAL |
| Quantity (MT) | 735,000 | 3,035,000 | 1,300,000 | 48,500 | 4,150 | 185,000 | 5,307,650 |
| **Turkey: TMO Grain procurement from May 17, 2010 to March 29, 2011** | | | | | | | |
| Type of Grain | Durum Wheat | Milling Wheat | Barley | Rye | Oat | Corn | TOTAL |
| Quantity (MT) | 338,931 | 639,003 | 922,778 | 0 | 0 | 83,491 | 1,984,203 |

Source: TMO

**Wheat**

Bread is a staple food in the Turkish diet. There are many small bakeries around Turkey and also some large industrial type bakeries. Public bread factories are also run by the greater metropolitan municipalities such as Istanbul, Ankara, Bursa, Izmir and Adana. These factories produce bread and other flour products that are cheap and safe for the general public and sell the products through small, private shops. These factories also play a role in the determination of prices as they have a 10-15% market share in the largest cities. There is usually a 25% price difference between normal bread and bread at public bread shops, due mostly to the greater efficiency of the larger factories.

Wheat flour and pasta exporters need to import both high and low quality wheat in order to compete with other flour exporters internationally. There are 715 wheat flour factories distributed around almost all regions in Turkey. The wheat flour production capacity is 32.5 million MT and actual capacity usage was 14.5 MMT in 2010. Large mills located in the Konya region produce high quality wheat, which needs 13% and higher protein content wheat. These mills generally rely on higher quality imported wheat.

<u>Recent developments in the wheat market (in reverse chronological order)</u>

- On February 25, 2011 the Government of Turkey decreased the import tariff on wheat from 130% to 0% until May 1, 2011.

- On February 15, 2011, TMO held a wheat tender and contracted to import 300,000 MT of average 12.5% protein wheat at 409 USD/MT. This tender went to UPGRAIN company (100,000 MT of from United States) and ROMSPEED SRL (50,000 MT of from U.S. and 150,000 MT from Kazakhstan).

- On January 11, 2011 TMO held a tender and contracted to import 300,000 MT of average 13% protein wheat at an average price of CIF 401.47 USD/MT. Of this 240,000 MT came from the United States, 20,000 MT came from Kazakhstan, 20,000 MT came from Germany and 20,000 MT will come from Ukraine.

- On December 22, 2010 The Turkish Ministerial Council allocated a 1 MMT duty free import quota for wheat to the Turkish Grain Board (TMO) which can be used until December 31, 2011.

- On October 19, 2010 Ukraine imposed quotas on the export of 2.7 million tons of grain, including 500,000 tons of wheat, 200,000 tons of barley, two million tons of corn, and 1,000 tons of each of rye and buckwheat. On March 30, 2011 Ukraine decided to extend grain export quotas until June 30, 2011, having simultaneously increased the quota for maize exports by two million tons.

- On September 2, 2010 TMO announced that it would sell 334,000 MT of wheat to processors starting from September 6, 2010.

- On August 26, 2010 the Turkish Grain Board (TMO) allocated a 330,000 MT zero tariff import quota for EU wheat to the private sector.

- On August 15, 2010 the Government of the Russian Federation imposed the temporary wheat, barley, rye and flour export ban, due to reduced harvest levels after droughts, damaged one third of grain sowings. The embargo was extended to at least June 30, 2011.

Because of the events listed above, there were two recent dramatic price increases for wheat. One was in December and the other was in March.
TMO interventions in the market via the selling of stocks were not very effective in controlling prices because of the inconsistent quality of their stocks. Wheat flour exporters need high-quality wheat and TMO stocks, which are usually of medium and low quality, needs extra processing to ensure consistent quality. The main reason is the TMO wheat procurements are not based on protein or energy content but on physical tests such as foreign material, amount of broken kernels, insect damage, etc. TMO plans to change the procurement system for MY 2011 and has bought new laboratory equipment to test protein and energy content. Their main challenge will be to improve their storage and classification system.
The durum wheat price and milling wheat price followed the same trend in MY 2010.

Table 6: Durum wheat price

| **TURKEY: Anatolian Durum Wheat price at Commodity Exchange (USD/MT)** | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| MY YEAR | JUNE | JULY | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY |
| 2006 | 216 | 220 | 235 | 23 | 240 | 258 | 259 | 26 | 27 | 277 | 283 | 291 |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | 8 | | | | 1 | 2 | | | |
| 2007 | 336 | 349 | 341 | 377 | 441 | 488 | 503 | 516 | 554 | 545 | 564 | 616 |
| 2008 | 632 | 660 | 612 | 580 | 466 | 382 | 407 | 367 | 355 | 341 | 339 | 324 |
| 2009 | 328 | 288 | 301 | 299 | 290 | 293 | 275 | 281 | 348 | 312 | 311 | 305 |
| 2010 | 330 | 370 | 356 | 355 | 370 | 376 | 400 | 391 | 398 | 450 | 457 | |

Source: Konya CME

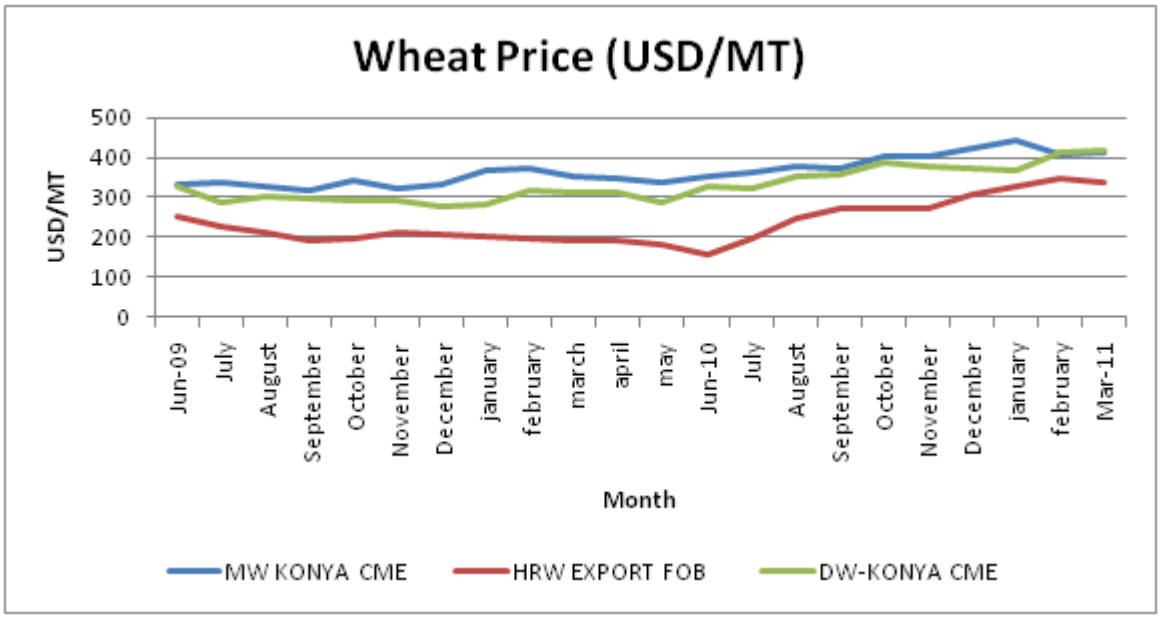
Table 7: Milling wheat price

| **TURKEY: Milling Wheat price at Commodity Exchange (USD/MT)** | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| MY YEAR | JUNE | JULY | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY |
| 2006 | 253 | 245 | 257 | 272 | 275 | 286 | 293 | 304 | 324 | 331 | 330 | 309 |
| 2007 | 338 | 360 | 350 | 387 | 415 | 427 | 433 | 446 | 478 | 492 | 490 | 485 |
| 2008 | 466 | 479 | 480 | 450 | 375 | 343 | 352 | 335 | 324 | 315 | 314 | 321 |
| 2009 | 330 | 339 | 326 | 317 | 341 | 323 | 330 | 369 | 364 | 352 | 349 | 334 |
| 2010 | 340 | 339 | 378 | 368 | 383 | 400 | 460 | 400 | 390 | 445 | 450 | |

Source: Konya CME

Normally there is a large gap between the domestic wheat price and the world wheat price. Due primarily to the Russian ban and the Ukraine export quota, the world price increased dramatically and almost reached the Turkish domestic wheat price.

Figure 1: Wheat price




**Barley**

The barley price increased dramatically in December 2010, reaching 333 USD/MT and remaining high in subsequent months. TMO procured 932,580 MT of barley in MY 2010 from domestic farmers and currently has 844,725 MT of barley stocks. Due to the ban on importing biotech products, TMO has been reluctant to export barley as it may be needed by the domestic feed industry if the ban continues to block imports of corn much longer, however it is planning to export some of these in May 2011.

Barley traditionally has been the preferred feed grain in Turkey, especially for ruminants. Half of barley feed consumption went into commercial feed production and the other half was fed directly to livestock or mixed on the farm. Malting barley consumption, which is estimated at 900,000 MT, has been steady in recent years but is expected to increase in MY 2011 due to investments in the beer sector. There are already seven private sector corporations brewing beer and in addition there are nearly 20 more corporations trading brewery product, including barley. There is enough barley production to supply the beer industry, but due to frequent quality problems, beer producers usually import high-quality barley from France.

Table 8: Barley price

| Barley price | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **YEAR** | **JUNE** | **JULY** | **AUG** | **SEP** | **OCT** | **NOV** | **DEC** | **JAN** | **FEB** | **MAR** | **APR** | **MAY** |
| **2007** | 287 | 310 | 302 | 342 | 381 | 407 | 410 | 397 | 400 | 369 | 375 | 428 |
| **2008** | 417 | 427 | 434 | 396 | 327 | 302 | 310 | 301 | 288 | 270 | 268 | 270 |
| **2009** | 217 | 220 | 225 | 234 | 245 | 230 | 225 | 236 | 236 | 231 | 236 | 229 |
| **2010** | 232 | 266 | 256 | 276 | 286 | **288** | **333** | 316 | 334 | 323 | 332 | |

Source: Konya CME

**Corn**

Unexpected yield losses in second crop corn in MY 2010 decreased the corn production and on top of that, a new Biosafety Law prohibited corn and corn by-products imports since September 2010. Due to these factors, the corn price in MY 2010 was relatively very high.

Table 9: Corn price

| Turkey: Corn price (USD/MT) | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **MONTHS** | **SEP** | **OCT** | **NOV** | **DEC** | **JAN** | **FEB** | **MAR** | **APR** | **MAY** | **JUNE** | **JULY** | **AUG** |
| **MY 2007** | 328 | 351 | 343 | 332 | 332 | 342 | 302 | 369 | 409 | 404 | 448 | 444 |
| **MY 2008** | 404 | 236 | 238 | 239 | 250 | 264 | 261 | 286 | 290 | 297 | 329 | 308 |
| **MY 2009** | 278 | 284 | 279 | 276 | 298 | 307 | 290 | 298 | 288 | 288 | 307 | 301 |
| **MY 2010** | 317 | 336 | 328 | 314 | 340 | 349 | **379** | **400** | | | | |

Source: Adana CME

Demand for compound feed has been growing in Turkey due to limited pasture areas and an increasing number of modern livestock and poultry operations. Poultry producers are the most important end users of corn in Turkey. The poultry sector is one of the strongest and most developed food industries in Turkey, and domestic poultry consumption and exports have been increasing every year. The Turkish poultry industry reached a capacity of 1.5 MMT of production this year, up from 200,000 MT 10 years ago. Due to a drastic increase in red meat prices, Turkish consumption of poultry meat increased in 2010. The poultry industry produced 1,044,059 MT of poultry meat in 2010, and is expected to increase production again in 2011.

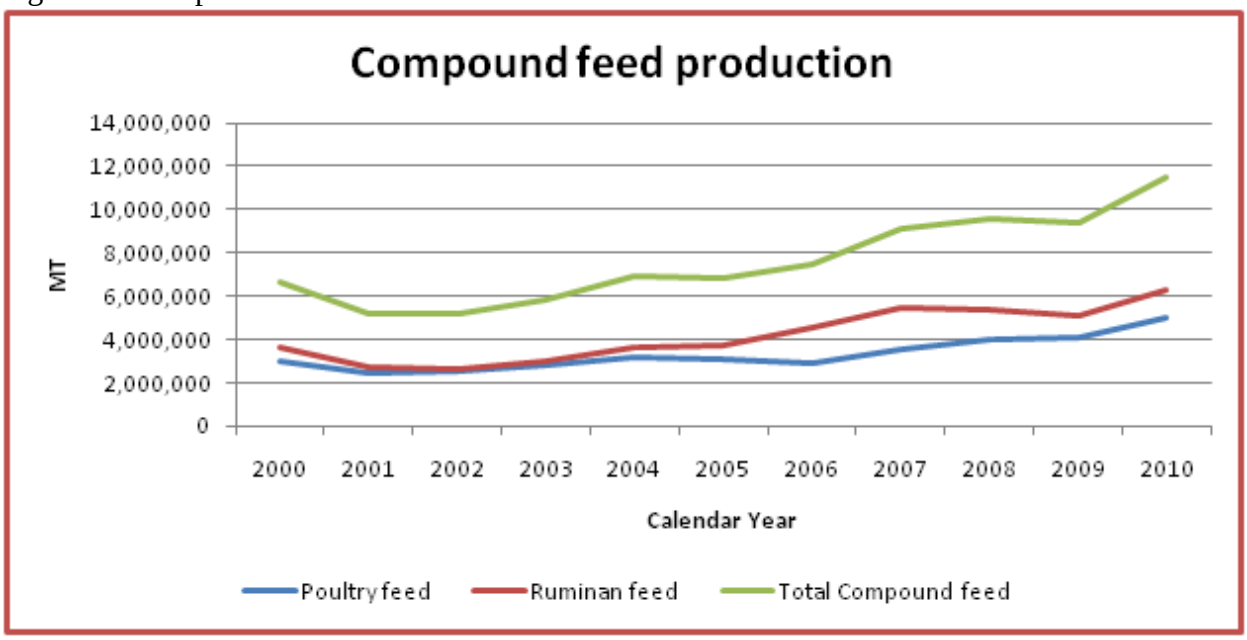
Corn consumption in the feed sector has been increasing due to the high demand from the poultry sector. Some poultry factories are integrated with feed mills and consume 1,200 MT corn/day, whereas middle-size starch factories consume 250 MT corn/day. Poultry prices are sensitive to corn price increase and currently feedmillers are almost out of corn stocks. If corn imports don't resume, the industry will be negatively affected.

Since the domestic corn price is generally very high (400 USD/MT) compared to world prices, poultry exporters must import corn, corn derivatives and soybean meal to compete internationally. Iraq is currently the largest market for poultry exporters, where a low price and taste are the most important market factors. Saudi Arabia is also a new target market in 2011 and Turkey also aspires to become an important supplier of poultry to the EU and to Russia.

Corn starch users have become the second most important corn users in Turkey.

*Overall Feed Industry*

Figure 2: Feed production



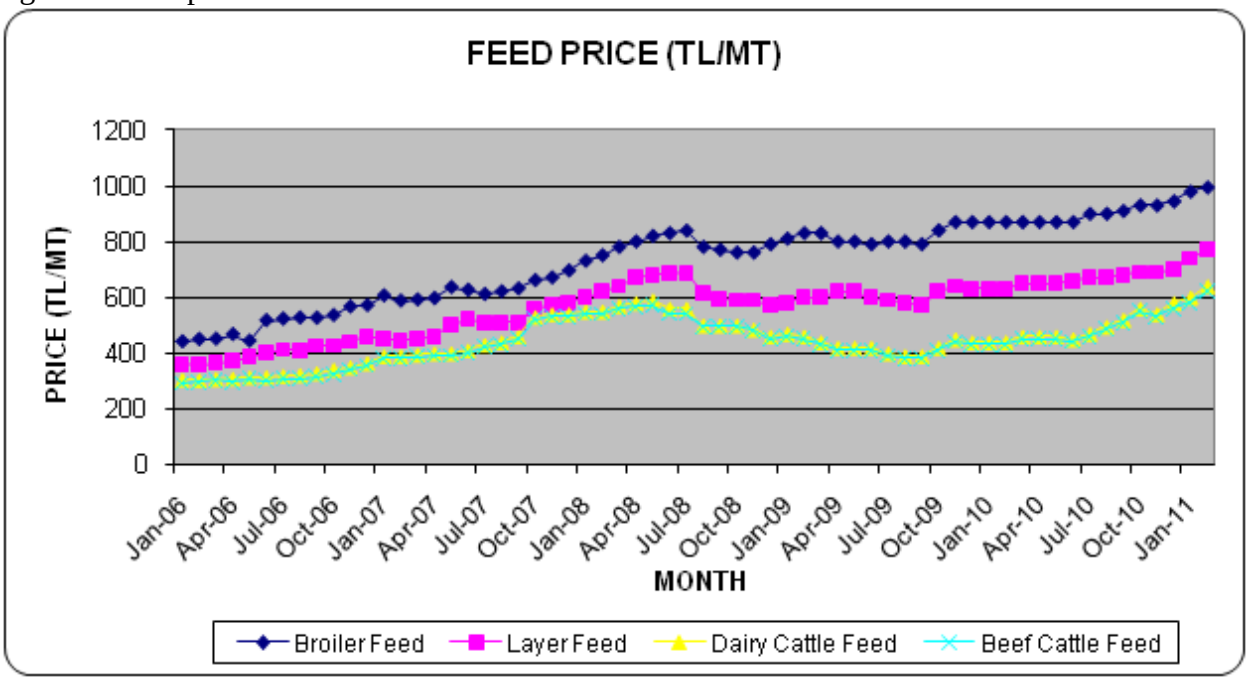

Source: Feed millers association

Feed in the livestock sector represent 70% of total production costs. Turkey's total mixed feed production increased to 11.5 MMT in 2010 from 9.8 MMT in 2009. Turkey imported 4.98 MMT of feed ingredients in 2010, 3.7 MMT in 2009 and 4.9 MMT in 2008. Soybeans are the main feed ingredient (1.756 MMT) that Turkey imported in 2010.

Turkey produced 11.5 MMT of compound feed in 2010. In order to get a high protein content in compound feed, soybeans should be part of the ratio. Soybean imports for the feed sector are around 1.5 MMT to 1.7 MMT. The Biosafety Law, which was published on March 26, 2010 and enforced on September 26, 2010, stopped biotech product imports for a third time since October 2009. Before implementation of the new Law, users and importers purchased a high amount of soybeans, corn and corn derivatives such as DDGS and CGF before September 2010. As expected, all biotech imports were stopped after September 2011 but then on January 26, 2011, the Turkish government approved three soybean events (MON89788, MON40-3-2 and A2704-12) for use in feed sector only.

Since then the feed sector could import soybeans from the United States, but they still cannot import biotech corn. As a result, the compound feed price continues to increase, especially for broiler feed which contains a high amount of corn and corn derivatives. Unfortunately, the layer industry is also facing relatively lower egg prices.

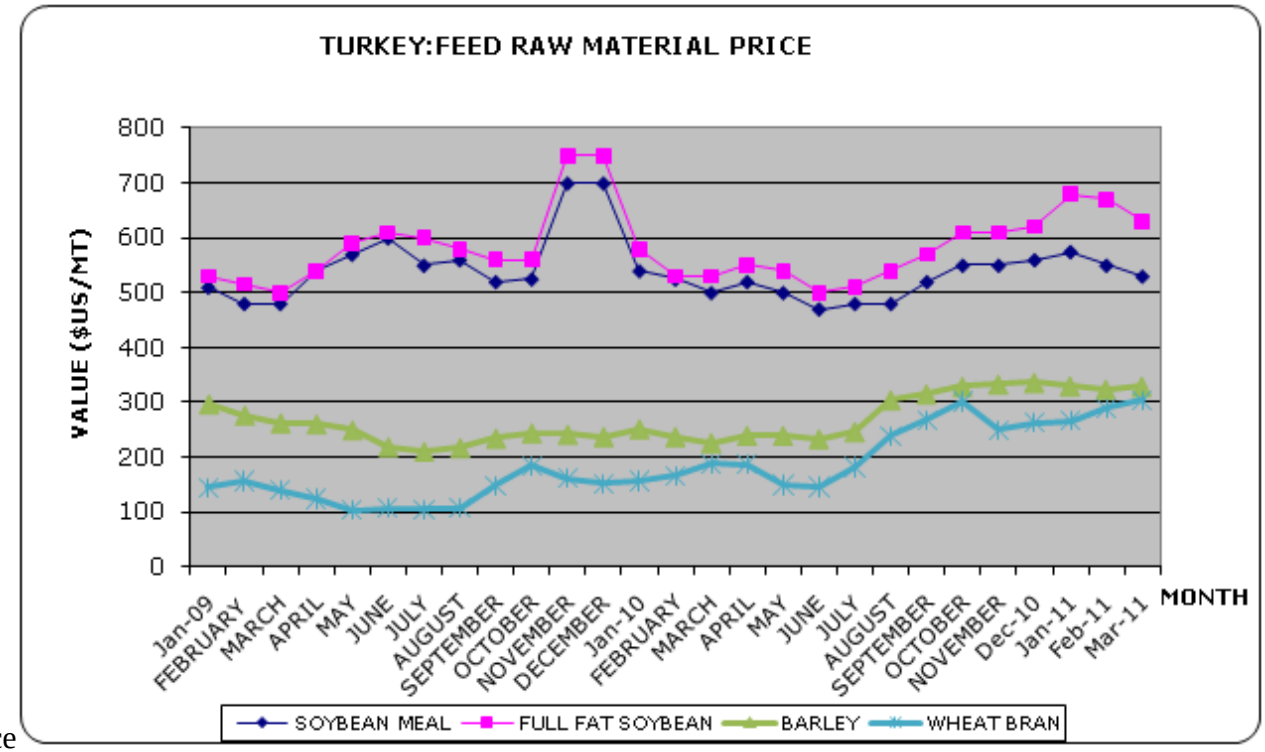
Figure 3: Feed price




Source: Feed millers association

The soybean and soybean meal price started to decrease in February and March after the Biosafety Board decision. The corn price is still very high. The barley and wheat bran prices are also very high due to a shortage of domestic production and stocks.

Figure 4: Feed raw material




price

Source: Feed millers association

**Rice**

Turkish consumers prefer the Calrose, Baldo and Osmancik varieties of rice. Annual rice consumption is approximately 7 kg/person. U.S. Jupiter variety rice sales were successful in MY 2009 and MY 2010.

In Turkish cuisine rice is very important for making pilaf, and although the Jupiter variety was previously not deemed appropriate for making pilaf, apparently opinions have changed. Most people prefer the Osmancik (domestic variety), then Calrose and now in third place they prefer the Jupiter variety. The main disadvantage of U.S. rice in the past was high prices, but if the United States continues to sell low-priced high-quality rice in MY 2010, U.S. rice sales can easily reach 130,000 MT. High rice prices in the U.S. almost stopped paddy rice imports to Turkey in February and March 2011. Traders said that price would have to decrease 50-100 USD/MT for them to import paddy rice from U.S. They are also concerned that there will be some speculation on paddy rice market due to the Japanese earthquake.

On March 31, 2011 the paddy rice price was 1,450 TL/MT in the Bandirma CME and 1,200 TL/MT in the Mersin CME. On the same day the domestic rice price was 1999 TL/MT and the imported rice price was 1510 TL/MT at the Mersin CME.

Table 10: Paddy rice price

| Paddy Rice (USD/MT) | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG |
| 2007 | 551 | 589 | 564 | 598 | 581 | 616 | 587 | 698 | 732 | 1,016 | 786 | 992 |
| 2008 | 910 | 535 | 584 | 621 | 576 | 618 | 633 | 677 | 730 | 684 | 724 | 604 |
| 2009 | 827 | 767 | 848 | 762 | 701 | 1,012 | 1,021 | 1,077 | 1,071 | 1,274 | 939 | 952 |
| 2010 | 850 | 844 | 850 | 780 | 750 | 920 | 951 | 950 | | | | |

Source: Bandirma CME

**Trade**

**Wheat**

*Imports*

Total Turkish wheat imports are expected to reach 3.4 MMT by the end of MY 2010. There was a high volume of imports between February and April 2011. Imports in February alone were 1.84 MMT.

Traditionally, Kazakhstan and Russia are the main wheat suppliers to Turkey. Because of its high protein and energy content, millers like wheat from Kazakhstan. The other advantage is they can purchase small shipments and transportation is easy. High-quality wheat flour producers believe that only U.S. DNS wheat is comparable to wheat from Kazakhstan, but the need to buy large quantities and the higher transport cost from the United States gives Kazakhstan a marketing advantage. Russian wheat also benefits from the size and transportation issue but usually only has 12-13% protein compared to the Kazakh wheat which has 13-15% protein. Because of the Russian export ban and an export quota in the Ukraine, the United States became Turkey's major supplier in 2010/2011.

Table 11: Wheat imports

| TURKEY: WHEAT IMPORTS | | | |
|---|---|---|---|
| **MONTH** | **IMPORTS MY 2008 (MT)** | **IMPORTS MY 2009 (MT)** | **IMPORTS MY 2010 (MT)** |
| June | 224,741 | 172,901 | 125,320 |
| July | 131,565 | 95,530 | 159,029 |
| August | 251,868 | 284,780 | 226,965 |
| September | 375,754 | 267,215 | 132,372 |
| October | 415,633 | 409,970 | 231,759 |
| November | 266,728 | 229,368 | 156,859 |
| December | 299,517 | 289,393 | 347,507 |
| January | 236,786 | 187,219 | 320,242 |
| February | 349,971 | 130,891 | 148,909 |
| *Sub-Total* | *2,552,563* | *2,067,267* | *1,848,962* |
| March | 392,171 | 378,095 | |

| | | | |
|---|---|---|---|
| April | 357,526 | 252,511 | |
| May | 307,081 | 225,663 | |
| **MY TOTAL** | **3,609,341** | **2,923,536** | **3,400,000*** |

*forecast
Source:GTA

On February 25, 2011, the wheat import tariff was reduced to zero for shipments clearing customs by May 1, 2011. Traders and wheat millers quickly tried to contract for U.S. wheat after this announcement was made, but because of the limited many traders could not arrange a contract. According to estimates, after the tariff reduction 1.2 MMT of wheat was imported to Turkey. Some of the vessels were destined for other destination but were diverted to Turkey. Wheat from Brazil, Argentina and Paraguay dominated the market for this short time period. Most Latin American wheat was 12% protein and most U.S wheat was 13% and higher protein.

TMO also allocated its quotas of 230,000 MT milling wheat and 100,000 MT of EU durum wheat to the private sector. So far, the entire milling wheat quota was used but only a small amount of the durum wheat quota was used.

Due to the high amount of imports and high stock levels at private sector warehouses, wheat imports will slow down in the beginning of MY 2011 but is expected to reach 3 MMT in the end of MY 2011. U.S. imports will be strong in MY 2011 if the Russian export ban continues through into the fall.

The Turkish inward process regime is a useful tool for millers to be competitive in the wheat flour export market. Exporters of wheat products such as wheat flour and pasta exporters are eligible to get special import licenses when they export wheat products. For example, when pasta exporters export 100 MT of pasta they are eligible to import 175.4 MT of wheat at a zero tariff rate (conversion rate is 1.754) and when a wheat flour producer exports 100 MT of wheat flour they are eligible to import 140 MT of wheat duty free. Usually wheat flour exporters and pasta exporters do not use this zero tariff import license by themselves but they sell it to international trading companies or experienced domestic traders. The price offered for the licenses changes according to world wheat prices. Recently, the market value of the licenses was 50 USD/MT but normally is 90 USD/MT and even reached 190 USD/MT in MY 2009.

Table 12: Major wheat suppliers

| **TURKEY: MAJOR WHEAT SUPPLIERS** | | | | |
|---|---|---|---|---|
| **Country** | **MY 2007 MT)** | **MY 2008 (MT)** | **MY 2009 (MT)** | **MY 2010 (MT)*** |
| Russia | 886,393 | 2,003,918 | 2,184,316 | 572,066 |
| Kazakhstan | 1,032,444 | 219,298 | 432,536 | 322,445 |
| Ukraine | 59,828 | 154,432 | 108,802 | 143,685 |
| Hungary | 142,248 | 143.951 | 18,458 | 119,234 |
| Moldova | 446 | 55,399 | 40,049 | 35,105 |
| Lithuania | 48,402 | 106,872 | 88,948 | 38,580 |
| U.S. | 45,537 | 46,821 | 0 | 338,072 |
| Others | 312,474 | 1,022,457 | 50,427 | 279,775 |

| | | | | |
|---|---|---|---|---|
| **MY Total** | **2,527,772** | **3,609,341** | **2,923,536** | **1,848,962** |

*June, 2010-Feb.2011
Source: GTA

*Exports*

Turkish wheat exports usually depend on TMO export policy. In MY 2009, TMO procured high amounts of wheat and had to export a lot of wheat to have warehouse space available for MY 2010 procurements. TMO has not exported any wheat so far in MY 2010. TMO has 1.6 MMT of wheat stocks and doesn't seem likely to sell it to the domestic market, however in the following months TMO is expected export 300,000 MT of wheat.

Table 13: Wheat export markets

| **Turkey: Wheat export market** | | | | |
|---|---|---|---|---|
| Country | **MY 2007 (MT)** | **MY 2008 (MT)** | **MY 2009 (MT)** | **MY 2010(MT)*** |
| Syria | 0 | 0 | 334,973 | 0 |
| Italy | 9,326 | 0 | 225,366 | 32,950 |
| Egypt | 0 | 0 | 145,034 | 20,415 |
| Lebanon | 0 | 0 | 38,968 | 0 |
| Iraq | 235 | 0 | 1,816 | 1,424 |
| Israel | | | 108,744 | 17,740 |
| Switzerland | 3 | 4,424 | 3 | 6 |
| Others | 8,717 | 591 | 0 | 59,630 |
| Total | **18,281** | **8,123** | **1,343,208** | **132,165** |

*June, 2010-Feb.2011
Source: GTA

Turkish wheat flour exports already reached 1.38 MMT and are expected to reach 1.8 MMT in MY 2010. Turkish wheat flour exports in MY 2011 are forecasted at 1.8 MMT. Iraq, Indonesia and Philippines are the most important markets for the Turkish wheat flour industry.

Indonesia and the Philippines need low quality wheat flour to make noodles. Empty containers returning to Asia are used to carry wheat flour at very cheap rates to Indonesia and Philippines. The proximity of Northern Iraq gives Turkish exporters an advantage in that market as well. The main Turkish exporters to the Middle East are located in either Gaziantep or in Konya regions. Turkish trucks drivers carry wheat flour to Nusaybin/Mardin and Northern Iraq trucks drivers carry it from Nusaybin to Zaho for 5 USD/MT. According to Turkish traders, Iran is trying to capture some of the market share in the Iraq wheat flour market. However, they believe that mills in Iran are using older technology and cannot produce the high quality wheat flour used for bread in Iraq.

Table 14:Wheat flour exports

| Turkey: Wheat flour export | | | | |
|---|---|---|---|---|
| **Month** | **MY 2007 (MT)** | **MY 2008 (MT)** | **MY 2009 (MT)** | **MY 2010 (MT)** |
| June | 75,630 | 102,002 | 176,761 | 164,533 |
| July | 131,013 | 107,338 | 166,938 | 214,371 |
| August | 118,713 | 130,138 | 140,478 | 149,139 |
| September | 92,422 | 138,073 | 154,753 | 143,360 |
| October | 61,629 | 151,091 | 194,313 | 142,873 |
| November | 66,435 | 86,329 | 126,860 | 121,524 |
| December | 95,015 | 82,984 | 175,065 | 173,989 |
| January | 111,714 | 91,302 | 131,663 | 133,183 |
| February | 92,919 | 109,721 | 145,332 | 143,771 |
| *Sub-Total* | *845,490* | *998,978* | *1,412,163* | *1,386,743* |
| March | 75,298 | 141,706 | 138,893 | |
| April | 60,276 | 186,165 | 166,880 | |
| May | 73,775 | 141,185 | 153,496 | |
| ***MY TOTAL*** | **1,054,839** | **1,468,034** | **1,871,432** | *1,800,000** |

Source: GTA

Table 15: Major wheat flour markets

| TURKEY: MAJOR WHEAT FLOUR MARKET | | | | |
|---|---|---|---|---|
| **Country** | **MY 2007 (MT)** | **MY 2008 (MT)** | **MY 2009 (MT)** | **MY 2010 *(MT)** |
| Iraq | 338,432 | 631,478 | 796,528 | 646,945 |
| Indonesia | 177,657 | 305,967 | 429,826 | 392,181 |
| Philippines | 240 | 69,824 | 126,749 | 48,674 |
| Sudan | 31,672 | 66,523 | 72,337 | 9,026 |
| Yemen | 0 | 670 | 16,491 | 7,725 |
| Israel | 26,148 | 66,523 | 24,370 | 20,342 |
| Others | 480,690 | 329,009 | 405,131 | 261,850 |
| **MY Total** | **1,054,839** | **1,469,994** | **1,871,432** | **1,386,743** |

*June 2010-February 2011
Source: GTA

Pasta exports have been very steady in MY 2010. They already reached 230,206 MT and are expected to reach 280,000 MT. Pasta factories in Turkey invested heavily in MY 2010 to increase their production capacities, however a major challenge will be overcoming decreased durum wheat production in MY 2011 as many high quality durum wheat producers, especially in the Sanliurfa region, switched to cotton production. Pasta companies that have contracted with farmers will not have a supply problem but the rest will need to import durum wheat in MY 2011. Pasta exports should reach 295,000 MT in MY 2011 with the help of new capacity improvements.

Table 16: Pasta exports

| TURKEY: PASTA EXPORTS | | | | |
|---|---|---|---|---|
| **MONTH** | **MY 2007 (MT)** | **MY 2008 (MT)** | **MY 2009 (MT)** | **MY 2010* (MT)** |
| June | 12,342 | 15,748 | 16,783 | 20,925 |
| July | 15,174 | 16,705 | 23,300 | 29,015 |
| August | 16,746 | 16,782 | 22,001 | 25,900 |
| September | 15,001 | 12,210 | 19,053 | 23,056 |
| October | 13,864 | 13,034 | 21,123 | 24,562 |
| November | 20,536 | 10,283 | 19,642 | 20,268 |
| December | 16,723 | 9,957 | 25,488 | 30,169 |
| January | 15,257 | 12,180 | 25,298 | 26,943 |
| February | 16,279 | 10,492 | 21,507 | 29,368 |
| *Sub-Total* | *141,922* | *117,391* | *194,195* | *230,206* |
| March | 16,602 | 15,048 | 26,664 | |
| April | 14,883 | 13,196 | 25,435 | |
| May | 17,877 | 15,283 | 24,789 | |
| **MY TOTAL** | **191,285** | **160,918** | **271,083** | **280,000** |

*June 2010-February 2011
Source: GTA

Africa is an important and growing market for Turkish pasta exporters. Japan is an important market for the Turkish pasta exporters, because of the premium they pay (1,300 USD/MT) for high quality pasta. It is unknown at the moment that how the Japanese market will be effected by the recent disasters.

Table 17: Pasta flour export markets

| TURKEY: MAJOR PASTA EXPORT MARKETS | | | | |
|---|---|---|---|---|
| **Country** | **MY 2007 (MT)** | **MY 2008 (MT)** | **MY 2009 (MT)** | **MY 2010 *(MT)** |
| Iraq | 16,153 | 13,437 | 24,977 | 19,553 |
| Benin | 11,766 | 4,370 | 19,663 | 9,850 |
| Japan | 3,598 | 10,260 | 14,170 | 9,833 |
| Togo | 12,838 | 8,941 | 21,458 | 20,341 |
| Angola | 2,157 | 7,088 | 17,000 | 18,171 |
| Others | 144,917 | 116,822 | 173,815 | 152,458 |
| **MY Total** | **191,429** | **160,918** | **271,083** | **230,206** |

*June 2010-February 2011
Source: GTA

Semolina is very common raw material for desserts in Turkey and the Middle East. Semolina production and trade is growing along with pasta production and export growth.

Table 18: Semolina exports

| TURKEY:SEMOLINA EXPORT |
|---|

| MONTH | MY 2007 (MT) | MY 2008 (MT) | MY 2009 (MT) | MY 2010 (MT) |
|---|---|---|---|---|
| June | 3,874 | 5,788 | 4,931 | 8,847 |
| July | 3,583 | 7,835 | 7,368 | 11,365 |
| August | 4,139 | 3,843 | 6,022 | 9,892 |
| September | 5,142 | 2,980 | 8,902 | 6,559 |
| October | 6,399 | 3,169 | 5,885 | 13,357 |
| November | 11,511 | 3,051 | 6,362 | 10,131 |
| December | 7,691 | 1,939 | 7,937 | 14,755 |
| January | 7,418 | 2,223 | 10,217 | 13,434 |
| February | 6,217 | 3,157 | 8,654 | 10,524 |
| Sub-Total | *55,974* | *33,985* | *66,278* | *98,864* |
| March | 4,521 | 2,227 | 8,656 | |
| April | 7,252 | 3,342 | 13,966 | |
| May | 7,408 | 6,120 | 7,643 | |
| **MY TOTAL** | **75,154** | **45,676** | **96,543** | **125,000*** |

Source: GTA

Table 19: Major semolina export markets

| Turkey: Major semolina export markets | | | | |
|---|---|---|---|---|
| **Countries** | **MY 2007 (MT)** | **MY 2008 (MT)** | **MY 2009 (MT)** | **MY 2010 * (MT)** |
| Oman | 0 | 0 | 10,938 | 8,662 |
| Iraq | 3,582 | 6,253 | 15,547 | 21,754 |
| Saudi Arabia | 3,139 | 7,833 | 13,136 | 4,241 |
| Egypt | 8,783 | 5,528 | 9,755 | 9,139 |
| Syria | 7,015 | 4,192 | 11,168 | 18,639 |
| Others | 52,636 | 21,870 | 35,999 | 25,905 |
| Total | 75,155 | 45,676 | 96,543 | 88,340 |

*June 2010-February 2011
Source: GTA

**Barley**

Turkey imported 32,101 MT of barley, mainly malting barley, and exported 22,199 MT in the first nine months of MY 2010. TMO plans to open a tender for barley exports in the following months in order to reduce barley stocks.

Turkey traditionally exports barley to Middle Eastern countries. Due to two years of drought, Turkey didn't export much barley in MY 2007 and MY 2008. After a bumper crop in MY 2009 led to high stocks, barley exports reached 754,848 MT in MY 2009. Saudi Arabia (558,970 MT) was the largest barley export market in MY 2009.

The malting industry usually imports high-quality barley from France.

Table 20: Barley foreign trade

| TURKEY: BARLEY FOREIGN TRADE | | | | | | |
|---|---|---|---|---|---|---|
| MONTH | IMPORTS MY 2008 (MT) | IMPORTS MY 2009 (MT) | IMPORTS MY 2010 (MT) | EXPORTS MY 2008 (MT) | EXPORTS MY 2009 (MT) | EXPORTS MY 2010(MT) |
| June | 1,018 | 3,000 | 3,300 | 0 | 1,441 | 22,100 |
| July | 0 | 2,765 | 10,788 | 0 | 0 | 0 |
| August | 10,369 | 0 | 1,500 | 0 | 980 | 0 |
| September | 7,083 | 4,234 | 3,870 | 0 | 0.3 | 0 |
| October | 38,917 | 40 | 3,309 | 0.3 | 108,930 | 60 |
| November | 13,052 | 6,080 | 28 | 0 | 84,270 | 0 |
| December | 9,718 | 14,577 | 2,506 | 0 | 105,601 | 7 |
| January | 33,868 | 8,002 | 3,300 | 0 | 51,700 | 22 |
| February | 0 | 0 | 3,500 | 80 | 15,783 | 10 |
| *Sub-Total* | *114,025* | *38,698* | *32,101* | *80* | *368,705* | *22,199* |
| March | 8,134 | 13,255 | | 0 | 136,491 | |
| April | 11,421 | 10,517 | | 0 | 128,235 | |
| May | 7,531 | 0 | | 0 | 121,415 | |
| *MY TOTAL* | 141,111 | 62,470 | 70,000 | 80.3 | 754,848 | 150,000 |

Source: GTA

Table 21: Barley export markets

| Turkey: Quantity of barley exported | | | | |
|---|---|---|---|---|
| Countries | MY 2007 (MT) | MY 2008 (MT) | MY 2009 (MT) | MY 2010 (MT)* |
| Saudi Arabia | 0 | 0 | 558,970 | 22,100 |
| Syria | 0 | 0 | 82,000 | 0 |
| Morocco | 0 | 0 | 55,000 | 0 |
| Libya | 0 | 0 | 52,000 | 0 |
| UK | 245 | 0 | 0 | 0 |
| Others | 49 | 80 | 6,878 | 99 |
| Total | **294** | **80** | **754,848** | **22,199** |

*June 2010-Feb. 2011

Source; GTA

Table 22: Barley suppliers

| Turkey: Quantity of barley imported | | | | |
|---|---|---|---|---|
| Countries | MY 2007 (MT) | MY 2008 (MT) | MY 2009 (MT) | MY 2010 (MT)* |
| France | 42,497 | 71,957 | 57,016 | 29,574 |
| Ukraine | 46,006 | 25,726 | 0 | 2,500 |
| United Kingdom | 0 | 0 | 5,454 | 0 |
| Russia | 22,388 | 29,898 | 0 | 0 |

| | | | | |
|---|---|---|---|---|
| Romania | 0 | 9,430 | 0 | 0 |
| Others | 77,558 | 19 | 1 | 27 |
| **Total** | **188,449** | **141,111** | **62,470** | **32,101** |

*June 2010-Feb. 2011
Source: GTA

**Corn**

Due to the Biosafety Law's implementation, since September 26, 2010 corn and corn derivatives cannot be imported, except in limited quantities from some EU countries by paying a premium to get certified non-biotech corn. As a result, corn imports were only 88,430 MT in the first six months of MY 2010. There was high demand for corn importation in April 2011 but imports remained extremely limited. Applications for approval of biotech corn for feed are currently under review. If the government approves biotech corn events and the corn price decreases, MY 2010 corn imports could reach 400,000 MT, however if the events are not approved, corn imports will be around 100,000 MT.

Table 23: Corn foreign trade

| **TURKEY: CORN FOREIGN TRADE** | | | | | | |
|---|---|---|---|---|---|---|
| **MONTH** | **IMPORT MY 2008 (MT)** | **IMPORT MY 2009 (MT)** | **IMPORT MY 2010 (MT)** | **EXPORT MY 2008 (MT)** | **EXPORT MY 2009 (MT)** | **EXPORT MY 2010(MT)** |
| September | 420 | 6,876 | 3,357 | 277 | 111,499 | 8 |
| October | 1,730 | 4,403 | 3,535 | 2,026 | 90,915 | 1,031 |
| November | 2,682 | 9,588 | 2,163 | 3,069 | 63,822 | 1,767 |
| December | 19,508 | 72,197 | 24,553 | 3,868 | 1,178 | 2,607 |
| January | 23,026 | 27,469 | 33,612 | 2,299 | 930 | 1,592 |
| February | 16,930 | 36,755 | 21,210 | 622 | 1,249 | 922 |
| Sub-Total | *64,296* | *157,288* | *88,430* | *12,161* | *269,593* | *7,927* |
| March | 42,777 | 111,093 | | 1,828 | 654 | |
| April | 82,016 | 64,405 | | 640 | 480 | |
| May | 105,943 | 32,429 | | 990 | 59 | |
| June | 32,430 | 83,515 | | 732 | 832 | |
| July | 42,666 | 38,197 | | 48,697 | 1,014 | |
| August | 46,278 | 24,892 | | 2,209 | 19 | |
| *MY TOTAL* | **416,406** | **511,819** | **400,000** | 67,258 | 271,617 | 20,000 |

Source: GTA

Turkey imports corn duty free under an inward processing regime, or with a customs duty of 130% for corn outside of the inward processing regime. Because of Biosafey Law, corn, starch or corn by-products exporters are not currently using the inward processing regime.

Table 24: Corn suppliers

| **Turkey: Quantity of corn imports** |
|---|

| Countries | MY 2007 (MT) | MY 2008 (MT) | MY 2009 (MT) | MY 2010 (MT)* |
|---|---|---|---|---|
| Ukraine | 228,430 | 181,788 | 137,392 | 21,136 |
| Romania | 67 | 42,829 | 77,380 | 26,510 |
| Russia | 0 | 100,148 | 84,750 | 2,871 |
| U.S. | 496,690 | 22,988 | 7,225 | 145 |
| Argentina | 317,480 | 11,390 | 13,055 | 8,052 |
| Others | 117,806 | 57,263 | 192,017 | 29,716 |
| Total | **1,160,473** | **416,406** | **511,819** | **88,430** |

*Sept. 2010-Feb. 2011
Source: GTA

Some companies tried to import corn from EU countries but because of adventitious presence of small levels of biotech material, the product was rejected at the port. The Ministry of Agriculture and Rural Affairs uses rapid, simple test kits and has a zero tolerance for any biotech contamination. Corn import prices have increased to 350 USD/MT. Importers are ready to pay a premium for biotech free corn but exporting companies are not able to guarantee that there will not be at least some level of adventitious biotech presence. TMO procured 83,491 MT of corn at a price of 490 TL and the TMO sale price was 590 TL/MT on April 7, 2011. TMO has 166,982 MT of stocks.

Not only the feed sector but also the starch sector is running out of corn stocks at the moment. Some starch factories cannot work at full capacity because of a shortage of stocks.

Table 25: Corn export market

| Turkey: Quantity of corn exports | | | | |
|---|---|---|---|---|
| **Countries** | **MY 2007 (MT)** | **MY 2008 (MT)** | **MY 2009 (MT)** | **MY 2010 (MT)*** |
| Syria | 0 | 17,479 | 231,800 | 120 |
| Italy | 2,375 | 4,866 | 5,185 | 2,481 |
| Germany | 54 | 587 | 1,380 | 872 |
| Spain | 475 | 1,345 | 912 | 552 |
| France | 307 | 2,144 | 645 | 654 |
| Others | 11,418 | 38,519 | 32,729 | 3,248 |
| **Total** | **12,061** | **64,940** | **272,651** | **7,927** |

*Sept. 2010-Feb. 2011
Source: GTA

Table 26: DDGS imports

| Turkey: Quantity of DDGS imported | | | | |
|---|---|---|---|---|
| **Month** | **MY 2007 (MT)** | **MY 2008 (MT)** | **MY 2009** | **MY 2010** |

| | | | (MT) | (MT) |
|---|---|---|---|---|
| September | 35,387 | 54,154 | 46,131 | 151,276 |
| October | 71,479 | 42,147 | 36,580 | 129,130 |
| November | 26,785 | 59,248 | 91,525 | 19,292 |
| December | 42,324 | 28,647 | 44,691 | 9,444 |
| January | 38,024 | 16,358 | 9,675 | 6,446 |
| February | 36,537 | 33,860 | 7,852 | 5,826 |
| Sub-Total | 250,536 | 234,414 | 236,454 | 321,414 |
| March | 79,511 | 46,487 | 4,013 | |
| April | 66,675 | 19,825 | 8,078 | |
| May | 19,630 | 24,461 | 37,586 | |
| June | 54,832 | 48,976 | 49,144 | |
| July | 26,374 | 21,117 | 35,773 | |
| August | 16,078 | 20,464 | 46,131 | |
| *MY TOTAL* | **513,636** | **415,744** | **413,944** | **400,000*** |

*Sept. 2010-Feb. 2011
Source: GTA

A new DDGS standard was published by the Turkish Standard Institute (TSE) on March 29, 2011. The TSE standard is voluntary at the moment but is expected to be adopted by the Ministry of Agriculture and Rural Affairs as mandatory very soon. DDGS are currently blocked by the Biosafety Law however it is expected that this barrier will be lifted as early as May or June if the corn biotech applications are approved for feed use.

The DDGS standard, if made mandatory, will severely restrict golden DDGS imports to Turkey because of its limitation on oil content. According to the standards, DDGS should contain a minimum of 5% and a maximum of 10% of oil. Most DDGs produced in the United States contain between 10 and 13% oil. In addition, DDGS are not generally sold according to oil content, but instead are sold according to protein/fat ratio. For this reason, it will not be easy to separate them according the oil content required by the new Turkish standard. The United States producers and Turkish users of the product submitted official comments on the draft standards explaining this problem and asking for the oil content to be increased, however the oil range was not increased. Some Turkish oilseed producing companies claim that "high-oil content" DDGS (13-15% oil) are imported and the oil is extracted in order to get around import duties for oil, however there is no evidence to support this claim. It is common knowledge that in fact that DDGs are used directly in feed production without any crushing. Therefore, this appears to be an intentional move to restrict imports of DDGs.

Wheat bran producers and oilmeal producers have been lobbying the government to restrict DDGS imports but poultry producers and livestock producers need cheap feed to be competitive in the export and domestic market.

Table 27: DDGS suppliers

| Turkey: DDGS imports | | | | |
|---|---|---|---|---|
| **Countries** | **MY 2007 (MT)** | **M Y 2008 (MT)** | **MY 2009 (MT)** | **MY 20010 (MT)*** |

| | | | | |
|---|---|---|---|---|
| U.S. | 489,891 | 402,245 | 368,961 | 292,040 |
| Canada | 21,899 | 7,099 | 3,972 | 918 |
| Ukraine | 1,033 | 5,920 | 13,699 | 4,114 |
| Russia | 615 | 0 | 0 | 477 |
| Others | 0 | 480 | 27,312 | 23,865 |
| Total | **513,636** | **415,744** | **413,944** | **321,414** |

*Sept. 2010-Feb. 2011
Source: GTA

Table 28: Corn Gluten Feed imports

| **Turkey: Quantity of CGF imported** | | | | |
|---|---|---|---|---|
| **Month** | **MY 2007 (MT)** | **MY 2008 (MT)** | **MY 2009 (MT)** | **MY 2010 (MT)** |
| September | 68,861 | 44,341 | 37,529 | 52,811 |
| October | 76,830 | 38,054 | 35,472 | 52,550 |
| November | 59,495 | 70,309 | 11,837 | 28,166 |
| December | 80,276 | 10,251 | 48,181 | 13,275 |
| January | 53,451 | 16,817 | 30,878 | 8,685 |
| February | 29,298 | 37,519 | 3,150 | 14,140 |
| Sub-Total | 368,211 | 217,291 | 167,047 | 169,627 |
| March | 82,891 | 41,826 | 6,545 | |
| April | 85,037 | 7,808 | 12,525 | |
| May | 26,086 | 22,928 | 6,650 | |
| June | 66,041 | 48,305 | 8,615 | |
| July | 37,797 | 42,276 | 20,744 | |
| August | 13,814 | 27,664 | 70,612 | |
| *MY TOTAL* | **679,877** | **408,098** | **292,738** | **250,000** |

Source: GTA

Table 29: CGF suppliers

| **Turkey: CGF imports** | | | | |
|---|---|---|---|---|
| **Countries** | **MY 2007 (MT)** | **M Y 2008 (MT)** | **MY 2009 (MT)** | **MY 20010 (MT)*** |
| U.S. | 656,050 | 355,326 | 216,992 | 107,007 |
| Canada | 0 | 0 | 0 | 0 |
| Ukraine | 21,529 | 36,724 | 43,123 | 30,942 |
| Russia | 0 | 0 | 846 | 0 |
| Others | 2,298 | 16,048 | 31,777 | 31,678 |
| Total | **679,877** | **408,098** | **292,738** | **169,627** |

*Sept.2010-Feb .2011
Source: GTA

**Rice**

The United States and Russia are the major rice suppliers to Turkey. Turkey imports paddy rice, mainly medium grain paddy rice, mills it in Turkey and sells it either to the domestic market or exports it as milled rice.

Table 30: Rice foreign trade

| Turkey: Rice foreign trade | | | | | | |
|---|---|---|---|---|---|---|
| **MONTH** | **MPORTS MY 2008 (MT)** | **MPORTS MY 2009 (MT)** | **IMPORTS MY 2010 (MT)** | **EXPORTS MY 2008 (MT)** | **EXPORTS MY 2009 (MT)** | **EXPORTS MY 2010(MT)** |
| September | 31,486 | 7,224 | 14,283 | 392 | 182 | 6,173 |
| October | 7,742 | 10,825 | 26,654 | 715 | 541 | 6,884 |
| November | 4,427 | 10,611 | 49,408 | 1,795 | 124 | 1,727 |
| December | 4,507 | 36,434 | 51,152 | 2,590 | 134 | 11,516 |
| January | 3,040 | 43,556 | 50,493 | 4,886 | 140 | 10,265 |
| February | 2,453 | 51,028 | 51,377 | 4,789 | 77 | 13,333 |
| Sub-Total | *53,655* | *159,678* | *243,367* | *15,167* | *1,198* | *49,898* |
| March | 9,468 | 71,977 | | 899 | 114 | |
| April | 13,427 | 49,498 | | 3,568 | 58 | |
| May | 39,202 | 35,504 | | 2,556 | 2,487 | |
| June | 30,567 | 59,701 | | 637 | 5,639 | |
| July | 39,001 | 48,355 | | 744 | 8,291 | |
| August | 24,457 | 33,989 | | 302 | 8,539 | |
| *MY TOTAL* | **209,777** | **458,702** | **400,000*** | **23,873** | **26,326** | **80,000*** |

*Imports*

The import duty remained at 34% for paddy rice in MY 2011 and 45% for milled rice. Rice imports reached 243,367 MT and are expected to reach to 300,000 MT in MY 2010. There is generally a decrease in rice consumption in the first months of MY 2010 but after the Holy month of Ramadan starts in August demand will increase not only from Turkey but also from whole Middle East region.

The imported varieties from the United States are Jupiter and Carlos. Due to price and quality advantages American rice had a strong position in Turkish market in MY 2009. The GSM-102 credit is also an important tool for American rice sales in Turkey. The Jupiter variety is getting very popular in Turkey and taste of Jupiter is very suitable for domestic market.

The U.S. paddy rice price is higher than domestically produced paddy rice at the moment. For this reason imports have almost stopped. In addition, because there is a high amount of domestically produced stocks and rice consumption is slow this time of year, traders fear that the government is trying to slow down paddy rice imports by using SPS trade barriers. For example, the Ministry of Agriculture has very strict regulations against different nematodes on paddy rice and rejects shipments when certain nematodes are found. Turkey seems to have increased the intensity of inspections in recent months and unlike many other countries, Turkey currently does not allow

treatment with methyl bromide or safeguarding for paddy rice with nematodes. This has caused increased fear among traders so unless appropriate treatment methods are adopted, it could prevent future paddy rice imports to Turkey and negatively impact Turkey's rice milling industry. When the new GSM announced in April there could be some paddy rice imports in May and June, 2011 if prices are not too high and the SPS concerns have been resolved.

Russia became a new leading milled rice supplier for Turkey in MY 2009 and MY 2010 although traders complain about the output ratio (amount of rice after milling) of Russian paddy rice. Millers report that Russian paddy rice has 30-40% output ratio and this is very low compared to U.S. and domestic varieties. Despite quality problems, other factors such as logistical advantages, the availability of small orders, and lower prices give Russian rice an advantage. Financial tools are critical for traders seeking to import large amounts of higher quality rice to Turkey. There is one large company in Turkey dominating the trade with Russian suppliers.

Greece, Bulgaria and Romania are active long grain rice exporters to Turkey, because of the availability of small sized orders.

Table 31: Rice imports

| **Turkey: Rice imports** | | | | |
|---|---|---|---|---|
| Country | MY 2007 | MY 2008 | MY 2009 | MY 2010* |
| U.S | 63,345 | 53,268 | 165,102 | 99,075 |
| Russia | 4,331 | 5,919 | 81,680 | 95,360 |
| Egypt | 118,258 | 51,898 | 56,889 | 192 |
| Thailand | 2,664 | 21,948 | 2,016 | 848 |
| Pakistan | 4,564 | 15,541 | 21,798 | 3,045 |
| Italy | 54,432 | 4,910 | 29,426 | 5,316 |
| Others | 13,959 | 56,293 | 101,791 | 39,531 |
| Total | 261,553 | 209,777 | 458,702 | **243,367** |

*SEPTEMBER 2010-FEBRUARY 2011
Source: GTA

*Exports rice*

Rice exports reached record levels in MY 2010 as Turkey benefitted from increased exports to the Middle East after the Egyptian rice export ban. Turkey tends to import paddy rice, mill it in Turkey, and export milled rice to Middle East countries. Libya, Jordan, Syria and Iraq are becoming the major rice export markets for Turkey. Due to uncertainty regarding Egypt paddy rice exports, Turkish paddy rice exports to the Middle East are growing and expected to grow in MY 2011.

Table 32: Rice imports classified by process

| **Rice import; classified by process** | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **MY 2009** | | | | **MY 2010** | | | |
| Country | Rice in the Husk | Husked rice (Brown) | Semi-Wholly milled | Broken rice | Rice in the Husk | Husked rice (Brown) | Semi-Wholly milled | Broken rice |

| | | | rice | | | | rice | |
|---|---|---|---|---|---|---|---|---|
| U.S | 160,549 | 2 | 4,551 | 0 | 99,069 | 0 | 6 | 0 |
| Russia | 81,180 | 0 | 500 | 0 | 91,927 | 0 | 3,433 | 0 |
| Egypt | 0 | 0 | 56,889 | 0 | 0 | 0 | 192 | 0 |
| Thailand | 0 | 11 | 2,005 | 0 | 0 | 5 | 843 | 0 |
| Pakistan | 0 | 0 | 21,798 | 0 | 0 | 0 | 3,045 | 0 |
| Italy | 17 | 20 | 29,194 | 0 | 0 | 0 | 5,316 | 0 |
| Others | 64,321 | 1,308 | 36,357 | 0 | 32,212 | 0 | 7,317 | 0 |
| Total | 306,067 | 1,341 | 151,294 | 0 | 223,208 | 5 | 20,152 | 0 |

*SEPTEMBER 2010-FEBRUARY 2011
Source: GTA

Table 33: Type of rice imported

| **Paddy Rice import; classified by type of rice** | | | | | | |
|---|---|---|---|---|---|---|
| | **MY 2009** | | | **MY 2010** | | |
| Country | Long grain | Medium Grain | Round Grain Rice | Long grain | Medium Grain | Round Grain Rice |
| U.S | 2,714 | 157,835 | 0 | 22,613 | 52,397 | 0 |
| Russia | 9,796 | 56,733 | 14,652 | 9,083 | 58,821 | 9,582 |
| Egypt | 0 | 0 | 0 | 0 | 0 | 0 |
| Thailand | 0 | 0 | 0 | 0 | 0 | 0 |
| Pakistan | 0 | 0 | 0 | 0 | 0 | 0 |
| Italy | 0 | 0 | 0 | 0 | 0 | 0 |
| Others | 0 | 42,992 | 949 | 1,274 | 22,176 | 6,013 |
| Total | 32,888 | 257,560 | 15,601 | 32,970 | 133,394 | 15,595 |

*SEPTEMBER 2010-FEBRUARY 2011
Source: GTA

Table 34: Rice exports

| **Turkey: Rice Exports** | | | | |
|---|---|---|---|---|
| **Countries** | **MY 2007 (MT)** | **M Y 2008 (MT)** | **MY 2009 (MT)** | **MY 20010 (MT)*** |
| Syria | 0 | 9,049 | 17,002 | 15,753 |
| Jordan | 0 | 4,711 | 3,668 | 2,484 |
| Sudan | 0 | 0 | 621 | 1,525 |
| Iraq | 90 | 1,042 | 3,451 | 981 |
| Others | 2,011 | 9,071 | 1,584 | 42,488 |
| Total | **2,911** | **23,873** | **26,326** | **63,231** |

*SEPTEMBER 2010-FEBRUARY 2011
Source: GTA

**Lentils**

Turkey mainly imports lentils from Canada and exports them to the Middle East. Iraq, Sudan, Saudi Arabia and Egypt are the main export markets of Turkey. Due to high domestic yields, exports increased in MY 2010 and are expected to be high in MY 2011.

Table 35: Lentil foreign trade

| Turkey: Lentil foreign trade | | | | | | |
|---|---|---|---|---|---|---|
| **MONTH** | **IMPORT MY 2008 (MT)** | **IMPORT MY 2009 (MT)** | **IMPORT MY 2010 (MT)** | **EXPORT MY 2008 (MT)** | **EXPORT MY 2009 (MT)** | **EXPORT MY 2010(MT)** |
| July | 9,856 | 3,622 | 5,020 | 1,242 | 14,953 | 37,661 |
| August | 9,025 | 2,083 | 0 | 2,275 | 11,181 | 23,127 |
| September | 15,403 | 2,300 | 1,590 | 2,541 | 4,298 | 10,261 |
| October | 21,091 | 15,080 | 6,140 | 2,133 | 4,159 | 11,727 |
| November | 68,188 | 15,693 | 10,812 | 6,867 | 7,747 | 8,937 |
| December | 43,756 | 29,860 | 28,781 | 14,768 | 15,923 | 14,257 |
| January | 28,881 | 41,400 | 38,179 | 15,653 | 13,360 | 12,702 |
| February | 16,176 | 23,201 | 21,519 | 12,052 | 11,109 | 11,810 |
| Sub-Total | 196,200 | 110,038 | 112,041 | 45,479 | 71,621 | 118,672 |
| March | 13,325 | 35,686 | | 6,587 | 7,491 | |
| April | 10,708 | 50,319 | | 14,393 | 11,320 | |
| May | 3,519 | 7,144 | | 14,889 | 15,112 | |
| June | 293 | 196 | | 8,230 | 30,186 | |
| *MY TOTAL* | **240,221** | **226,584** | **150,000*** | 101,630 | 146,839 | **150,000** |

Source: GTA

Table 36: Lentil imports

| **Turkey: Lentil imports** | | | |
|---|---|---|---|
| **Countries** | **M Y 2008 (MT)** | **MY 2009 (MT)** | **MY 20010 (MT)*** |
| U.S. | 722 | 2,928 | 4,006 |
| Canada | 226,463 | 206,884 | 106,423 |
| Ethiopia | 0 | 9,225 | 936 |
| Russia | 428 | 392 | 0 |
| Others | 12,608 | 7,155 | 676 |
| Total | **240,221** | **226,584** | **112,041** |

*SEPTEMBER 2010-FEBRUARY 2011
Source :GTA

**Policy:**

*History of regulations on biotechnology in Turkey*

Biotech regulations were introduced in Turkey for the first time in October 2009 when a regulation was published by the Ministry of Agriculture and Rural Affairs without warning and implemented immediately. This regulation was amended several times and severely affected imports to Turkey, including imports of soy, corn, and by-products of these commodities. According to one amendment to the October 2009 regulation, transgenic corn could only be imported until March 1, 2010. According to another amendment on April 28, 2010 the Ministry of Agriculture gave authority to a Scientific Committee to make decisions on biotech products. The Scientific Committee's decision on the corn events was published on May 26, 2010, and approved all EU approved corn events for importation for certain approved uses, except the T25 event in corn. This effectively blocked corn importation since that event can be contained in any shipment. A Biosafety Law was published in the Official Gazette (No: 27533) in March 2010 with an implementation date of September 26, 2010. This Law replaced the previous regulations once it was implemented. A Biosafety Board established by the Law, with the power to evaluate applications for approval for importation of biotech events. Several Turkish associations applied for approval to import various biotech events, but so far the Feed millers Association applications for 3 soy events for feed use are the only ones that have been approved. Other applications are under review.

*Premium Price Supports*

The soybean premium rose from 247 TL/MT to 350 TL/MT in MY 2009 and remained the same in MY 2010 and rose to 500 TL/MT in MY 2011.

The cotton premium was increased from 324 TL to 420 TL/MT in MY 2009 and remained the same in MY 2010 and MY 2011. The corn premium also is unchanged at 40 TL/MT in MY 2010 and MY 2011.

**Production, Supply and Demand Data Statistics:**

| **Wheat Turkey** | **2009/2010** | **2010/2011** | **2011/2012** |
|---|---|---|---|
| | **Market Year Begin: Jun 2009** | **Market Year Begin: Jun 2010** | **Market Year Begin: Jun 2011** |

| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
|---|---|---|---|---|---|---|
| **Area Harvested** | 7,800 | 7,800 | 8,000 | 8,000 | | 7,425 |
| **Beginning Stocks** | 1,546 | 1,550 | 1,740 | 1,733 | | 1,783 |
| **Production** | 18,450 | 18,450 | 17,000 | 17,000 | | 16,700 |
| **MY Imports** | 3,218 | 2,922 | 2,500 | 3,400 | | 3,000 |
| **TY Imports** | 3,192 | 2,922 | 2,500 | 3,400 | | 3,000 |
| **TY Imp. from U.S.** | 38 | 0 | 0 | 750 | | 300 |
| **Total Supply** | 23,214 | 22,922 | 21,240 | 22,133 | | 21,483 |
| **MY Exports** | 4,374 | 4,389 | 3,000 | 3,150 | | 3,000 |
| **TY Exports** | 4,274 | 4,389 | 3,000 | 3,150 | | 3,000 |
| **Feed and Residual** | 800 | 800 | 700 | 700 | | 700 |
| **FSI Consumption** | 16,300 | 16,000 | 16,500 | 16,500 | | 16,500 |
| **Total Consumption** | 17,100 | 16,800 | 17,200 | 17,200 | | 17,200 |
| **Ending Stocks** | 1,740 | 1,733 | 1,040 | 1,783 | | 1,283 |
| **Total Distribution** | 23,214 | 22,922 | 21,240 | 22,133 | | 21,483 |
| 1000 HA, 1000 MT | | | | | | |

| **Barley Turkey** | **2009/2010** | | **2010/2011** | | **2011/2012** | |
|---|---|---|---|---|---|---|
| | **Market Year Begin: Jun 2009** | | **Market Year Begin: Jun 2010** | | **Market Year Begin: Jun 2011** | |
| | **USDA Official** | **New Post** | **USDA Official** | **New Post** | **USDA Official** | **New Post** |
| **Area Harvested** | 3,400 | 3,400 | 3,350 | 3,350 | | 3,200 |
| **Beginning Stocks** | 793 | 176 | 790 | 83 | | 103 |
| **Production** | 6,500 | 6,500 | 5,900 | 5,900 | | 5,700 |
| **MY Imports** | 178 | 62 | 150 | 70 | | 250 |
| **TY Imports** | 156 | 60 | 150 | 70 | | 250 |
| **TY Imp. from U.S.** | 0 | 0 | 0 | 0 | | 0 |
| **Total Supply** | 7,471 | 6,738 | 6,840 | 6,053 | | 6,053 |
| **MY Exports** | 781 | 755 | 400 | 150 | | 30 |
| **TY Exports** | 801 | 755 | 400 | 150 | | 30 |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Feed and Residual** | 5,000 | 5,000 | 4,900 | 4,900 | | 5,000 |
| **FSI Consumption** | 900 | 900 | 900 | 900 | | 900 |
| **Total Consumption** | 5,900 | 5,900 | 5,800 | 5,800 | | 5,900 |
| **Ending Stocks** | 790 | 83 | 640 | 103 | | 123 |
| **Total Distribution** | 7,471 | 6,738 | 6,840 | 6,053 | | 6,053 |
| 1000 HA, 1000 MT | | | | | | |

| **Corn Turkey** | **2009/2010** | | **2010/2011** | | **2011/2012** | |
|---|---|---|---|---|---|---|
| | **Market Year Begin: Sep 2009** | | **Market Year Begin: Sep 2010** | | **Market Year Begin: Sep 2011** | |
| | **USDA Official** | **New Post** | **USDA Official** | **New Post** | **USDA Official** | **New Post** |
| **Area Harvested** | 500 | 500 | 490 | 490 | | 400 |
| **Beginning Stocks** | 882 | 785 | 868 | 725 | | 405 |
| **Production** | 4,000 | 4,000 | 3,600 | 3,600 | | 3,200 |
| **MY Imports** | 558 | 512 | 300 | 400 | | 900 |
| **TY Imports** | 527 | 500 | 300 | 400 | | 900 |
| **TY Imp. from U.S.** | 0 | 7 | 0 | 35 | | 400 |
| **Total Supply** | 5,440 | 5,297 | 4,768 | 4,725 | | 4,505 |
| **MY Exports** | 272 | 272 | 50 | 20 | | 0 |
| **TY Exports** | 161 | 161 | 50 | 20 | | 0 |
| **Feed and Residual** | 3,400 | 3,400 | 3,300 | 3,400 | | 3,400 |
| **FSI Consumption** | 900 | 900 | 900 | 900 | | 900 |
| **Total Consumption** | 4,300 | 4,300 | 4,200 | 4,300 | | 4,300 |
| **Ending Stocks** | 868 | 725 | 518 | 405 | | 205 |
| **Total Distribution** | 5,440 | 5,297 | 4,768 | 4,725 | | 4,505 |
| | | | | | | |
| 1000 HA, 1000 MT | | | | | | |

| Rice, Milled Turkey | 2009/2010 | | 2010/2011 | | 2011/2012 | |
|---|---|---|---|---|---|---|
| | Market Year Begin: Sep 2009 | | Market Year Begin: Sep 2010 | | Market Year Begin: Sep 2011 | |
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| **Area Harvested** | 100 | 100 | 105 | 105 | | 100 |
| **Beginning Stocks** | 265 | 206 | 400 | 338 | | 308 |
| **Milled Production** | 400 | 400 | 450 | 450 | | 430 |
| **Rough Production** | 667 | 667 | 750 | 750 | | 717 |
| **Milling Rate (.9999)** | 6,000 | 6,000 | 6,000 | 6,000 | | 6,000 |
| **MY Imports** | 520 | 458 | 400 | 300 | | 300 |
| **TY Imports** | 520 | 458 | 400 | 300 | | 300 |
| **TY Imp. from U.S.** | 314 | 165 | 0 | 130 | | 140 |
| **Total Supply** | 1,185 | 1,064 | 1,250 | 1,088 | | 1,038 |
| **MY Exports** | 26 | 26 | 50 | 80 | | 85 |
| **TY Exports** | 40 | 40 | 50 | 80 | | 85 |
| **Consumption and Residual** | 759 | 700 | 650 | 700 | | 700 |
| **Ending Stocks** | 400 | 338 | 550 | 308 | | 253 |
| **Total Distribution** | 1,185 | 1,064 | 1,250 | 1,088 | | 1,038 |
| 1000 HA, 1000 MT | | | | | | |